

MINUTES OF THE MEETING
INDIANA HEALTH AND EDUCATIONAL FACILITY FINANCING AUTHORITY

June 21, 2006

MEMBERS PRESENT: Ryan Kitchell; Sue Scholer; Bill Lister; and Kelly Borrer.

ALSO PRESENT: Brenda Horn, Kristin McClellan, Ice Miller; Lynda Hanna, Chase Bank; Brian Lane, Greenwood Village South; John Meade, Hall Render; Ann Forey, Scott Fessler, US Bank; Curt Fritsch, CRF Financial Group; Jennifer Alvey; Rachelle Lore; and Dan Kramer.

Mr. Kitchell welcomed those in attendance, recognized the presence of a quorum and called the meeting to order at 11:00 a.m. on June 21, 2006, in Room 110, One North Capitol Avenue, Indianapolis, Indiana, pursuant to notice thereof.

Mr. Kitchell asked for approval of the Minutes of the May 24, 2006, meeting of the Indiana Health and Educational Facility Financing Authority. Thereupon, upon motion made by Ms. Borrer and seconded by Ms. Scholer, it was unanimously:

RESOLVED, the Minutes of the May 24, 2006, meeting of the Indiana Health and Educational Facility Financing Authority are hereby approved and the Executive Director is instructed to execute same and to place same in the Minute Book as the Minutes of the May 24, 2006, Meeting of the Indiana Health and Educational Facility Financing Authority.

Mr. Kitchell then introduced John Crisp, Vice President of Colliers Turley Martin Tucker, and the Authority's commercial real estate broker who discussed subletting of the old Indiana Educational Facility Authority office space at 8777 Purdue Road, Indianapolis (near the "Pyramids"). A Fortune 150 company is interested in subletting this space at a rental rate approximately 87% of what the Authority pays under the lease. The effective date of the sublease is anticipated to be July 1, 2006.

Mr. Kitchell then moved to a new topic by pointing out that the IFA board adopted a policy that allowed a potential borrower to go before that board one time only as opposed to having approved both a Preliminary and a Final Resolution. The question was raised if this would be a policy IHEFFA would be wise to consider given that IHEFFA would retain the ability to request two meeting appearances by tabling a resolution if there are concerns that need to be addressed. Mr. Kramer added that he would request the Counsels involved to get the applications and resolutions to him earlier than they had been in the past to allow for a more thorough review of the documents. Mr. Kitchell then made an oral resolution to adopt the new policy.

Thereby, upon motion made by Mr. Lister and seconded by Ms. Borrer, it was unanimously:

RESOLVED, that, from this time on, a borrower coming before the Indiana Health and Educational Facility Financing Authority ("Authority") needs only to have a final resolution passed by the Authority as approval of a transaction, and not both a preliminary and final resolution as is the current practice, with the Authority retaining the right to table such resolution if it deems necessary.

Mr. Kittchell then asked for the Executive Director's Report.

EXECUTIVE DIRECTOR'S REPORT

A copy of the Executive Director's Report is attached hereto as Exhibit A.

The Executive Director began with the first item on the agenda, the Final Resolution for Union Hospital, Inc. in an amount not to exceed \$32,000,000.00. He then introduced Ms. Brenda Horn from Ice Miller, bond counsel.

Ms. Horn began by informing members that the financing is proceeding as discussed at the May meeting. It is a variable rate financing backed by a Fifth Third Bank Letter of Credit. It is anticipated that the transaction will close the week following the week of the July 4th holiday. Ms. Horn added that although the transaction is to include a mix of tax exempt and taxable bonds, they are proceeding as if it were all tax exempt bonds in anticipation of the possibility that property use may change in the future and allow for a refunding of the bonds to be completely tax exempt at that time.

Mr. Kramer added that the TEFRA hearing was held earlier in the day and there were no attendees.

Thereupon, upon motion made by Mr. Lister and seconded by Ms. Borrer, it was unanimously:

RESOLVED, the Final Resolution Authorizing the Issuance of the Indiana Health and Educational Facility Financing Authority Hospital Revenue Bonds (Union Hospital, Inc. Project), in the principal amount not to exceed \$32,000,000 and Approving and Authorizing other actions with respect thereto be and hereby is approved.

A copy of the resolution is attached hereto as Exhibit B.

The Executive Director then continued with the next item on the agenda, a Final Resolution for Greenwood Village South Project in an amount not to exceed \$23,500,000. The Executive Director introduced Brenda Horn, Ice Miller, bond counsel for Greenwood Village South.

Ms. Horn reported that all was going according to plan with no changes since the last meeting and the anticipated closing date for this transaction would also be the week following the Fourth of July holiday.

Thereupon, upon motion made by Ms. Borrer and seconded by Ms. Scholer, it was unanimously:

RESOLVED, the Final Resolution Authorizing the Issuance of the Indiana Health and Educational Facility Financing Authority Revenue Bonds (Greenwood Village South Project), in the principal amount not to exceed \$23,500,000 and Approving and Authorizing other actions with respect thereto be and hereby is approved.

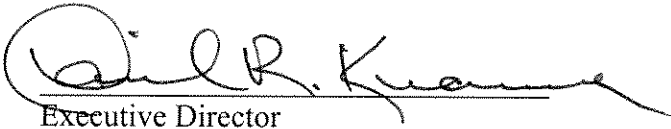
A copy of the resolution is attached hereto as Exhibit C.

Mr. Lister then reported on the activities of the Indiana Seed Fund since the last meeting. A business model for a pharmaceutical company was presented, and the last two investments had reached their next milestones and were provided with additional funding.

The Executive Director concluded his report.

There being no further business, the meeting was adjourned.

Respectfully submitted,


Executive Director

INDIANA HEALTH AND EDUCATIONAL FACILITY
FINANCING AUTHORITY

ONE NORTH CAPITOL AVE., SUITE 900
INDIANAPOLIS, INDIANA 46204
(317) 233-4335 FAX: (317) 232-6786

REPORT BY

DANIEL KRAMER, EXECUTIVE DIRECTOR

June 21, 2006

Activities for the period May 25, 2006, through June 21, 2006, are as follows:

I. Discussions have been held with possible clients as follows:

Westminster Village, Terre Haute

II. Special Projects in Various Stages of Development:

| | |
|--|--------------|
| 1. Jackson County Schneck Memorial Hospital - CLOSED | \$35,000,000 |
| 2. Greenwood Village South Project | \$23,500,000 |
| 3. Union Hospital, Inc. | \$32,000,000 |
| 4. Grandview Care, Inc. | \$5,000,000 |

III. 1985 A Variable Rate Pool Activity

A. New Applications: None

B. Pending Applications: None

C. Approvals:

1. L.O.C. Required: Imaging Center of North Central, IN, Inc. \$3,500,000



IV. Comments

1. The Jackson County Schneck Memorial Hospital closed \$35,000,000 in total on May 26 (Series A) and June 1 (Series B).
2. Included in Authority Members' folders is a final resolution for the Union Hospital, Inc. Project in an amount not to exceed \$32,000,000. Brenda Horn, Ice Miller, bond counsel, is here to discuss the resolution.
3. Included in Authority Members' folders is a final resolution for Greenwood Village South Project in an amount not to exceed \$23,500,000. Brenda Horn, Ice Miller, bond counsel, and Brian Lane, Executive Director, Greenwood Village South, are here to discuss the resolution.
4. The offices of the former Indiana Educational Facilities Authority located at 8777 Purdue Road, Indianapolis (near "The Pyramids") have been Sublette to Marubeni Plant Contractors, Inc. John Crisp, Vice President, *Colliers Turley Martin Tucker* served as the Authority's broker and is here to outline the transaction.
5. Included in Authority Members' folders is the June, 2006, Cash and Investments Report.

Final Resolution Authorizing the Issuance of the
Indiana Health and Educational Facility Financing Authority
Variable Rate Demand Revenue Bonds, Series 2006
(Union Hospital, Inc. Project)
in the Principal Amount not to Exceed
Thirty-Two Million Dollars and
Approving and Authorizing Other Actions in Respect Thereto

Be it resolved by the members of the Indiana Health and Educational Facility Financing Authority (the "Authority") that:

Section 1. Union Hospital, Inc. (the "Borrower") has requested that the Authority issue its variable rate demand revenue bonds in one or more series in the aggregate principal amount not to exceed \$32,000,000 (the "Bonds") for the purpose of providing funds to make a loan to Union Hospital, Inc. (the "Borrower"), a Participating Provider (within the meaning of Indiana Code 5-1-16, hereinafter referred to as the "Act"), for financing or reimbursing a portion of the cost of constructing, acquiring, renovating or equipping certain Health Facility Property (as defined in the Act) of the Borrower. The Bonds are being issued pursuant to certain indentures of trust and pledge listed on Exhibit A attached hereto (the "Bond Indentures") between the Authority and Bank of New York, Trust Company, N.A. (the "Bond Trustee"), which Bond Indentures provide that the Bonds will be secured by the pledging and assigning of master note obligations of the Borrower issued in one or more series (collectively the "Obligations") in like aggregate principal amounts and the rights of the Authority under the Loan Agreements listed on Exhibit A attached hereto (the "Loan Agreements"), which loan agreements shall each evidence a loan of the proceeds of the Bonds from the Authority to the Borrower for the purpose of (a) financing or reimbursing the cost of constructing, acquiring and equipping Health Facility Property of the Borrower and (b) paying certain costs of issuing the Bonds, including credit enhancement. The property financed from the proceeds of the Bonds is hereby determined, based on the application of the Borrower, to be necessary or helpful, directly or indirectly, to provide in Indiana: health care; medical research; training or teaching of health care personnel; habilitation, rehabilitation, or therapeutic services; or any related supporting services. Thus, such property constitutes Health Facility Property within the meaning of the Act.

Section 2. The forms of the documents listed on Exhibit A hereto (the "Bond Documents") presented to the Authority are hereby approved and shall be incorporated herein by reference and shall be kept by the Executive Director of the Authority.

Section 3. The Authority shall issue the Bonds for the purposes set forth in Section 1 hereof, in an aggregate principal amount not to exceed \$32,000,000 at an underwriter's discount not to exceed one percent (1%) of the aggregate principal amount of the Bonds. The Bonds may bear taxable or tax-exempt interest at variable rates as described in the Bond Indentures, and will be subject to the redemption terms described in the Bond Indentures, as such Bond Indentures shall be approved by the Chair or Vice Chair. The proceeds of the Bonds shall be loaned to the Borrower to be used as more particularly set out in the Loan Agreements and the Bond Indentures. The Bonds will be payable as to principal, premium, if any, and interest from the payments to be made by the Borrower under the Loan Agreements or the Obligations, or as otherwise provided in the Bond Indentures. The issuance of the Bonds shall be contingent upon

receipt of the approval of the Lt. Governor of the State of Indiana pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"). The Bonds shall not constitute a debt of the State of Indiana or any political subdivision thereof, within the meaning of the provisions of the constitution or statutes of Indiana, or a pledge of the faith and credit of the Authority or the State of Indiana or any such political subdivision. The Bonds shall mature no later than thirty (30) years from the date of initial issuance.

Section 4. Either the Chair or Vice Chair of the Authority is hereby authorized and directed to execute the Bonds and the Executive Director of the Authority is hereby authorized and directed to affix the seal of the Authority, which shall be attested by the manual or facsimile signature of the Executive Director. The signatures of the Chair or Vice Chair and the Executive Director on the Bonds may be facsimile signatures. The Chair or Vice Chair of the Authority is hereby authorized and directed to deliver the Bonds to the Bond Trustee for appropriate authentication and the Bond Trustee may deliver such Bonds to or at the direction of the Underwriter upon receipt of an aggregate purchase price equal to the principal amount of the Bonds less underwriter's discount not to exceed one percent (1%) of the principal amount of the Bonds, subject to the approval of the Chair or Vice Chair as described in Section 6 hereof and the approval of the Lieutenant Governor of Indiana in accordance with Section 147(f) of the Code.

Section 5. Either the Chair or the Vice Chair of the Authority is hereby authorized to approve changes and additions to the form of the Official Statement. The Authority hereby approves the distribution of the final Official Statement (the "Official Statement") by Fifth Third Securities, Inc. (the "Underwriter") to the purchasers of the Bonds. The Official Statement shall be substantially in the form of the Official Statement now before this meeting and hereby approved, with such changes therein as shall be approved by the Chair or Vice Chair executing the same, with such execution to constitute conclusive evidence of the Chair's or Vice Chair's approval and the Authority's approval of any changes from or revisions to the form of the Official Statement now before this meeting.

Section 6. Either the Chair or Vice Chair of the Authority is hereby authorized and directed to execute, and the Executive Director to attest such signature where appropriate, and deliver the Bond Documents to which the Authority is a party, in substantially the forms presented to this meeting for distribution with such changes in form or substance as shall be approved by the Chair or Vice Chair of the Authority executing said documents, with such execution to constitute conclusive evidence of the Chair's or Vice Chair's approval and the Authority's approval of any changes from or revisions to the form of such documents now before this meeting.

Section 7. The Chair, the Vice Chair and the Executive Director of the Authority, or any of them, are hereby authorized to execute any other document which may be necessary or desirable to consummate the transaction described herein, including certain certifications requested by the Underwriter or Bond Counsel.

Section 8. The provisions of this Resolution and the Bond Indentures shall constitute a contract binding between the Authority and the purchasers of the Bonds, and after the issuance of the Bonds, this Resolution shall not be repealed or amended in any respect which would

adversely affect the rights of such purchasers so long as any of the Bonds or the interest thereon remain unpaid.

EXHIBIT A

The Bond Indentures between the Authority and Bank of New York, Trust Company, N.A. (the "Bond Trustee"), pursuant to which the Bonds will be issued

The Loan Agreements between the Authority and the Borrower, pursuant to which the proceeds of the Bonds will be loaned by the Authority to the Borrower

The Supplemental Master Indentures between J.P. Morgan Trust Company, National Association (the "Master Trustee") and the Borrower pursuant to which the Master Note Obligations will be issued

The Master Note Obligations to be issued to secure the Bonds

The Official Statement used by the Underwriter to market the Bonds

The Bond Purchase Agreements to be executed by the Underwriter and approved by the Authority and the Borrower

The Remarketing Agreements between the Underwriter and the Borrower

Dated this 21st day of June, 2006.

INDIANA HEALTH AND EDUCATIONAL
FACILITY FINANCING AUTHORITY

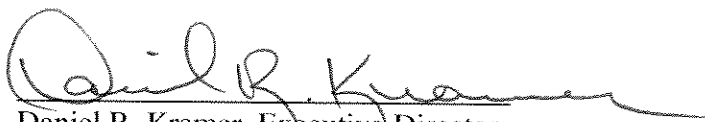




Sue W. Scholes

Kelly L. Bond

Attest:



Daniel R. Kramer, Executive Director

Final Resolution Authorizing the Issuance of the
Indiana Health and Educational Facility Financing Authority
Revenue Bonds, Series 2006
(Greenwood Village South Project)
in the Principal Amount not to Exceed
Twenty-Three Million Five Hundred Thousand Dollars and
Approving and Authorizing Other Actions in Respect Thereto

Be it resolved by the members of the Indiana Health and Educational Facility Financing Authority (the "Authority") that:

Section 1. Westminster Village Greenwood, Inc. (d/b/a Greenwood Village South) (the "Borrower") has requested that the Authority issue its revenue bonds in the aggregate principal amount not to exceed Twenty-Three Million Five Hundred Thousand Dollars (the "Bonds") in one or more series for the purpose of providing funds to make a loan to the Borrower, a participating provider (within the meaning of Indiana Code 5-1-16, hereinafter referred to as the "Act") for financing, refinancing or reimbursing a portion of the costs of constructing, acquiring or equipping certain Health Facility Property (as defined in the Act) of the Borrower. The Bonds are being issued pursuant to the Trust Indenture dated as of April 15, 1998, as previously supplemented and amended and as supplemented by the Second Supplemental Trust Indenture (collectively, the "Indenture") between the Indiana Health and Educational Facility Financing Authority (the "Authority") and U.S. Bank National Association (as successor to National City Bank of Indiana), Indianapolis, Indiana, as Trustee (the "Trustee"), which Indenture contains an assignment of the Authority's rights under the Loan Agreement, Mortgage and Security Agreement dated as of April 15, 1998, as previously supplemented and amended and as supplemented by the Second Supplemental Loan Agreement, Mortgage and Security Agreement, a Third Supplemental Loan Agreement, Mortgage and Security Agreement and a Supplemental Agreement Constituting a Parity Instrument (collectively, the "Loan Agreement") each between the Authority and the Borrower, and the Mortgage Note, Series 2006 of the Borrower (the "Series 2006 Note") issued pursuant to the Loan Agreement; for the purpose of (i) refunding the Authority's Variable Rate Demand Revenue Bonds, Series 2000 (Greenwood Village South Project), (ii) financing, refinancing, and reimbursing a portion of the costs of constructing, acquiring, renovating, and equipping certain healthcare and retirement facilities constituting Health Facility Property within the meaning of the Act; (iii) funding a reserve fund, if any, and (iv) paying certain costs of issuing the Bonds, including Underwriter's discount (the "Project").

Section 2. The forms of the documents listed on Exhibit A hereto (the "Bond Documents") presented to the Authority are hereby approved and shall be incorporated herein by reference and shall be kept by the Executive Director of the Authority.

Section 3. The Authority shall issue the Bonds for the purposes set forth in Section 1 hereof, in an aggregate principal amount not to exceed Twenty-Three Million Five Hundred Thousand Dollars at an interest rate to be determined in accordance with the terms of the Indenture, as such Indenture shall be approved by the Chair or Vice Chair and with an Underwriter's discount not to exceed one and two tenths percent (1.2%) of the aggregate principal amount of the Bonds. The Bonds will be subject to the redemption terms described in

the Indenture, as such Indenture shall be approved by the Chair or Vice Chair. The proceeds of the Bonds shall be loaned to the Borrower to be used as more particularly set out in the Loan Agreement and the Indenture. The Bonds will be payable as to principal, premium, if any, and interest from the payments to be made by the Borrower under the Loan Agreement or the Note, or as otherwise provided in the Bond Indenture. The issuance of the Bonds shall be contingent upon receipt of the approval of the Lt. Governor of the State of Indiana pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"). The Bonds shall not constitute a debt of the State of Indiana or any political subdivision thereof, within the meaning of the provisions of the constitution or statutes of Indiana, or a pledge of the faith and credit of the Authority or the State of Indiana or any such political subdivision. The Bonds shall mature no later than thirty-five (35) years from the date of initial issuance.

Section 4. Either the Chair or Vice Chair of the Authority is hereby authorized and directed to execute the Bonds and the Executive Director of the Authority is hereby authorized and directed to affix the seal of the Authority, which shall be attested by the manual or facsimile signature of the Executive Director. The signatures of the Chair or Vice Chair and the Executive Director on the Bonds may be facsimile signatures. The Chair or Vice Chair of the Authority is hereby authorized and directed to deliver the Bonds to the Trustee for appropriate authentication and the Trustee may deliver such Bonds to or at the direction of the Underwriter upon receipt of an aggregate purchase price equal to the principal amount of the Bonds less underwriter's discount, subject to the approval of the Chair or Vice Chair as described in Section 6 hereof and the approval of the Lieutenant Governor of Indiana in accordance with Section 147(f) of the Code.

Section 5. The Authority also hereby approves the distribution of a final Official Statement (the "Official Statement") by the Underwriter to the purchasers of the Bonds. The Official Statement shall be substantially in the form now before this meeting and hereby approved, with such changes therein as shall be approved by the Chair or Vice Chair executing the same, with such execution to constitute conclusive evidence of the Chair's or Vice Chair's approval and the Authority's approval of any changes from or revisions to the form of the Official Statement now before this meeting.



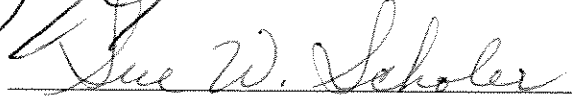
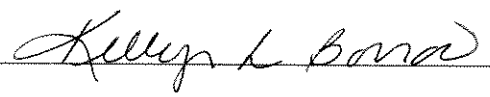
Section 6. Either the Chair or Vice Chair of the Authority is hereby authorized and directed to execute, and the Executive Director to attest such signature where appropriate, and deliver the Bond Documents to which the Authority is a party, in substantially the forms presented to this meeting for distribution with such changes in form or substance as shall be approved by the Chair or Vice Chair of the Authority executing said documents, with such execution to constitute conclusive evidence of the Chair's or Vice Chair's approval and the Authority's approval of any changes from or revisions to the form of such documents now before this meeting.

Section 7. The Chair, the Vice Chair and the Executive Director of the Authority, or any of them, are hereby authorized to execute any other document which may be necessary or desirable to consummate the transaction described herein, including certain certifications requested by the Underwriter or Bond Counsel.

Section 8. The provisions of this Resolution and the Indenture shall constitute a contract binding between the Authority and the purchasers of the Bonds, and after the issuance of the Bonds, this Resolution shall not be repealed or amended in any respect which would adversely affect the rights of such purchasers so long as any of the Bonds or the interest thereon remain unpaid.

Dated this 21st day of June, 2006.

INDIANA HEALTH AND EDUCATIONAL
FACILITY FINANCING AUTHORITY

Attest:


Daniel R. Kramer, Executive Director

EXHIBIT A

The Second Supplemental Trust Indenture between the Authority and U.S. Bank, National Association (the "Bond Trustee") pursuant to which the Bonds will be issued

The Second Supplemental Loan Agreement, Mortgage and Security Agreement between the Authority and the Borrower

The Third Supplemental Loan Agreement, Mortgage and Security Agreement between the Authority and the Borrower

The Mortgage Note to be issued to secure the Bonds

The Official Statement used to market the Bonds

The Bond Purchase Agreement from Ziegler Capital Markets Group (the "Underwriter") approved by the Authority and the Borrower

The Escrow Deposit Agreement among the Authority, the Borrower, the Bond Trustee and U.S. Bank, National Association, as escrow trustee

The Supplemental Agreement Constituting a Parity Instrument between the Authority and the Borrower